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C E N T R A L I N T E L L I G E N C E A G E N C Y

OFFICE OF NATIONAL ESTIMATES

2 June 1971

MEMORANDUM FOR THE CONSULTANTS*

SUBJECT: Southeast Asia in the Seventies

NOTE

May I ask that before scanning this memo, the reader perform the same rite as the author? That hawk, dove, or owl, you cleanse your soul of bias, submerge personal commitment to this or that paper or policy or party, and face the task with as much objectivity as can be mustered on such short notice? The cause is a good one: To try and find a way through the thicket of the Indochinese war and predict the shape of Southeast Asia in the seventies.

* See the recently published NIEs on South Vietnam and Thailand, and the recent Staff Note on Laos, which are on the table.

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DISCUSSION

1. The war is, after all, the prime fact of life in the region at this time. We have tried in past estimates and memoranda to wish away the problem, to make assumptions or to offer contingency situations as the framework for whatever post-Vietnam judgments seemed warranted -- e.g., the Thailand NIE. When prediction of straight-line trends could not be avoided (and interagency coordination was required) -- e.g., the South Vietnamese NIE -- we hedged rather shamelessly. But let's not overdo the breast-beating; the present concern is how best to proceed in presenting our views of the prospect in Indochina. And the fork in the road seems to offer two fairly well-defined paths: one marked (serious) negotiation and the other continuing warfare.

2. Before presenting our view of the likely prospect in Indochina under each course, here are the stars we in the Agency steer by these days:

- a. The 1968-69 US commitment to withdraw from a combat role in South Vietnam and the 1969-70

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congressional strictures against assuming such a role in Laos, Cambodia, and Thailand mean that indigenous non-communist forces will have to cope with Hanoi pretty much on their own after about mid-1972.

- b. US airpower has not so far been a "decisive" factor in the war; it is being substantially reduced in quantity, hence will have even less chance of being decisive in the future.
- c. Indigenous friendly forces will not be capable over the longer term of coping with Hanoi's forces in any of the Indochinese states. Lao and Khmer forces are already incapable and unlikely to improve significantly. ARVN forces are capable of coping with some enlargement of NVA/VC forces in some parts of South Vietnam -- mainly in populated areas of the south -- but only marginally capable of doing so elsewhere. ARVN capabilities will not improve greatly; instead, they will probably deteriorate as US air (especially helicopter), armor, and artillery

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support is severely reduced. ARVN will be incapable in the 1971-72 dry season of closing down the Ho Chi Minh Trail in Laos to any great extent, and incapable of preventing solidification of the communist hold on northeastern Cambodia. ARVN will be hard put in 1971-72 to challenge re-establishment of communist border sanctuaries north of Saigon. A series of obvious ARVN defeats along the frontiers or in the northern areas of the country could quickly unravel the political situation in Saigon.

- d. Vientiane and Phnom Penh, perceiving the above and mindful of recent developments in US-China relations, are not eager to extend themselves militarily and will be increasingly willing to "compromise" with the communists. Thailand seeks "security"; military victory is perceived as only one of several ways to achieve it.
- e. Hanoi, while not "10-feet tall", is more determined than its opposite numbers in Southeast Asia. It has sufficient manpower to challenge

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any combination of indigenous allied forces (except in the unlikely event of a total Thai commitment to the war); and it can deliver these men and supplies in needed quantities, to most of the fighting fronts in 1971-72 and to all of them thereafter. It could, at relatively low cost, occupy Vientiane and Phnom Penh in the winter of 1971-72. It could shake ARVN control of much of northern South Vietnam over 1972 and probably in parts of southern South Vietnam thereafter. Its military edge will grow over the years. Its political infrastructure in South Vietnam still stands; it may grow weaker in short run, but prospects for reducing it to easily manageable proportions are poor.

- f. The Paris talks, certainly in their present context, are going nowhere. Hanoi sees little reason, so long as "Vietnamization" proceeds, to make any agreement with the US other than one that ratifies as US withdrawal from South Vietnam on terms providing the communists with a clear

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shot at power in Saigon. Hanoi will be (marginally) restrained for the next year or so from abandoning Paris and from undertaking really massive troop deployments southward by the continuing threat of renewed, all-out US bombing of the North; it will be progressively less restrained as major US air units move out of Southeast Asia.

- g. Peking probably holds the view that the general drift in the Indochina situation is in its favor. In any case, China holds the high cards in Southeast Asia; US power is on the decline in the region while China is there. The Soviet factor is negligible in real terms, except as Hanoi (and some US officials) see it as a counterweight to Peking. The war is depleting indigenous strength in Southeast Asia -- including that of North Vietnam -- while China remains unscathed. China's influence in the region is growing, not only because of the effect on the region of the debilitating and inconclusive struggle, but because US policy moves vis-a-vis China are enhancing Peking's status in the eyes of Southeast Asian governments.

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3. Assuming that none of the above is too difficult for the reader to accept, what does it mean? We think it supports the view that the US bargaining position in Southeast Asia grows steadily weaker. But it is not necessary to our estimates of Southeast Asia's future that you accept this view. We will, in any case, proceed down both the roads mentioned earlier -- (serious) negotiation and continued warfare.

4. Continued Warfare. If the war goes on into 1973 and beyond, it is virtually certain that our Laos at best will have been reduced to a rump state, enclaves around a very few major Mekong towns, defended mainly by Thai troops. There will, of course, be other contested lowland areas, but in such areas the communists will have the initiative. The Souvanna regime, in its current anti-communist mode, may well survive into 1973; but if so it will be mainly because Hanoi continues to see political advantage in bending Vientiane to its purposes in the inevitable negotiated settlement rather than breaking it forever by some precipitate military move. Hanoi would also prefer to avoid the casualties likely to accompany any major communist ground effort against the big Mekong towns. Finally, Hanoi's

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main objectives are still in South Vietnam; conquest of Laos adds no critical dimension to this effort.

5. In Cambodia, the military-political situation will be only slightly better than in Laos. At best, ARVN forces will be able to hold major towns in the southeast, including the capital. But roads and rivers will be increasingly unreliable as supply arteries; US aircraft will probably bear the main burden of supply, flying directly to Cambodia's remaining airstrips. Thai units will bear increasing defense burdens in securing the few towns of western Cambodia. Cambodian forces will be largely content with static defensive roles in support of ARVN and/or Thai units; they will be hard put even to cope with growing Hanoi-supported, Khmer communist elements. To the extent that South Vietnam and Thailand are reluctant or unable to provide continuing troop assistance, the situation will become even bleaker. All these adverse trends will be reflected in growing political instability in Phnom Penh; the best bet is for a complete military takeover of the government within a year or so.

6. In South Vietnam, the post-1972 picture is of a regime losing its grip on the frontiers and highlands, and increasingly beset politically and economically. There will be strong overtones

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of the serious national morale situation of the early 1960s. The regime's writ will still extend over most of the populace but will become much more tenuous as communist military efforts bear important fruit.

7. Thailand, after a few more years of war, will have a more serious (though hardly critical) insurgency on its soil, and a shakier domestic political situation in the face of allied setbacks in Indochina and continuing US withdrawals from the entire region -- including Thailand itself. More and more, Bangkok will be casting its diplomatic net in the direction of Peking.

8. Elsewhere in Southeast Asia, the continuation of the war will have less impact. Burma will remain Burma. In Malaysia, Singapore, and Indonesia, gratification that the US had not "sold out" to Hanoi would be balanced by concern at the persistent deterioration of prospects for the survival of non-communist regimes in "neutral" Laos and Cambodia. Few would expect adverse trends in South Vietnam to be reversed. In all three countries, and in the Philippines as well, there would be a preoccupation with problems of domestic stability, but considerable attention

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to efforts to draw China into some sort of useful regional power balance with the US, the Russians, and the Japanese.

9. In sum, if the war goes on, and if the military situation (as we believe) goes against the allied side in 1971-72 and 1972-73, the shape of Southeast Asia as we move toward mid-decade is likely to be one of weakening military, political, and economic structures in Indochina and Thailand, though trends elsewhere are likely to remain generally unaffected. In these other countries, our main concerns are unrelated to the war, and more a function of intractable economic problems -- particularly in Burma and the Philippines.

10. Negotiations. The main value of any serious negotiation on Indochina would be to preserve whatever chance is available for Cambodia to retain its independence; and for Thailand to disengage without major domestic political damage. A Laos settlement can only ratify communist military predominance there; and any negotiation over South Vietnam must, by definition, accord a strong voice to the communists in Saigon's affairs.

11. Thus, it is quite likely that the best the US could hope for as a negotiated solution would be one which terminated the

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US presence in Indochina, gave Hanoi a leg up in South Vietnam, left Hanoi pretty much in charge in Laos, and permitted for the moment a divided Cambodia. Thailand, with the US commitment (against major overt attack) intact, would be working out its own accommodation with Peking and Hanoi. US influence would decline in Bangkok though it would remain greater than that of Peking for years to come.

12. Elsewhere in the area, this kind of solution would be seen as preordained by the increasingly adverse balance-of-forces in the area. The concern of other Southeast Asian regimes would tend to focus on Thailand, and to a much smaller degree on Cambodia. If Bangkok seemed able to live with the deal, the ripples elsewhere would not be very substantial. If not, pressures for accommodation with Peking would tend to rise.

13. Obviously, in any negotiation of the Geneva type -- and, indeed, this appears to be the only alternative to the deterioration spelled by continued warfare -- much will depend on Peking's attitudes and objectives. Perhaps more than at any time since 1962 it is possible to speak of Chinese, as distinct from North Vietnamese, objectives in Indochina. In our view,

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the turn of events in Cambodia in 1970, the post-1968 Chinese roadbuilding in northern Laos, the 1971 allied incursion into southern Laos, the Sino-Soviet skirmishes of 1969, and developments accompanying all of these have enhanced China's interest and stake in the inevitable Indochina settlement.

14. In South Vietnam, Peking wants the US to acknowledge defeat, to lose "face" and so to contribute correspondingly to Chinese pretensions to the predominant power role in Southeast Asia. In Laos, there is interest in securing a frontier, gaining an advanced position from which to pressure Bangkok, and removing the Soviets as a significant political factor; in Cambodia, a possibility of acceptance by the Khmers in a guardian role vis-a-vis the feared Vietnamese, and another opportunity to wipe out a Soviet diplomatic bridgehead. Finally, Peking desires the removal of the US military presence from Thailand and steps by Bangkok toward a more balanced posture vis-a-vis the powers.

15. An optimist, at this stage of the game, would hope that preservation of ostensibly neutral, left-leaning buffers in Laos and Cambodia would satisfy Peking's aim in Indochina and that Peking would find such arrangements sufficiently useful to argue Hanoi into acceptance of such terms. It may be so. And

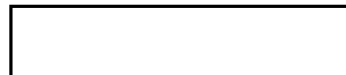
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it is not unreasonable to suppose that US military disengagement from Thailand would solve that problem for Peking, at least for the immediate future. But it is a bit far-fetched to expect the Chinese to aid and abet any solution in South Vietnam that the US might term a compromise. In sum, Peking may see deals to be made at a new Geneva, but real flexibility could characterize only their views on Thailand and Cambodia.

15. Conclusions. Having gone through the foregoing exercise, it may be possible, after all, to ignore our so-called fork in the road. And to state that, almost regardless of developments in the war, the straight-line estimate for Southeast Asia in the seventies can be seen with reasonable clarity. Barring some allied military miracle or a profound change of heart in Hanoi, the outlook is for a communist-dominated Indochina and a Thailand increasingly on its own to deal with this new and adverse situation. Elsewhere, we foresee an increased propensity to cease viewing security as a function of western military commitments and more as a function of local strengths -- political and economic stability -- and balance-of-power arrangements abroad.



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